

REQUEST FOR PROPOSALS
COMMUNITY DEVELOPMENT BLOCK GRANT
Affordable Housing Services
CDBG Year 38, 2012 - 2013



City of Worcester
City Manager's Executive Office of Economic Development
Neighborhood Development Division

Dennis E. Hennessy, Director

Introduction: In accordance with the National Objectives of the Community Development Block Grant program, the following Request for Proposals prioritizes access to and availability of decent, affordable housing for eligible residents of the City of Worcester. Given the current market conditions and the existing inventory of available housing opportunities, the CDBG Year 38 program will prioritize the following housing stabilization activities in support of our FY 2013 affordable housing agenda.

All applicants under this Request for Proposals must demonstrate and document the requisite knowledge, experience, technical expertise, and organizational capacity to perform the proposed services described below.

- In coordination with the City's Three Year Plan to End Homelessness, the City of Worcester is prioritizing the creation of a minimum of 20 units of newly renovated housing through this RFP, which will be reserved exclusively for those individuals who are ready for independent living and who are currently housed in permanent supportive/transitional housing units funded through the HUD Continuum of Care program. Individuals in this category would have incomes not exceeding 30% of area median income, and have been determined to be functionally prepared for independent living. Those applications received that assist the city in meeting the goal of 20 units will be prioritized over other applications. Housing this population will assist the city in meeting the ongoing goals and objectives of the Three Year Plan to End Homelessness by creating vacancies in the current permanent supportive housing program system managed and operated by the local supportive housing services providers.
- In conjunction with the City's HOME program and other public resources which provide targeted Housing and Neighborhood Revitalization opportunities, CDBG funds will be used to pay qualified staff specialists and various other project costs associated with the support of city sponsored programs including the Buy Worcester Now program; the substantial rehabilitation and renovation of affordable housing for low-and moderate-income households; maintenance and management of affordable housing units created with the assistance of HOME funds; interim management of vacant, abandoned, or foreclosed properties in coordination with the City Manager's S.A.V.E. Our Neighborhoods Plan; emergency housing repairs; the abatement of housing code violations; and direct lending services (citywide) that support the City's goals for housing stabilization for homeowners and tenants who are threatened by foreclosure, as well as lending that supports city coordinated receivership and down payment assistance efforts.

Proposals for the new construction of affordable housing will not be considered unless prior city and/or state commitments have been made and are in place in support of the proposed project(s). Proposals to develop affordable housing must

Attachment (a) Tables of Information.

clearly demonstrate organizational experience, capacity and track record in securing site control, assembling financing and developing a “pipeline” of projects as part of a clear and recognized neighborhood revitalization or stabilization strategy.

All applicants for funding must ensure delivery of quantifiable services in an efficient, cost effective manner, using measurable, performance-based outcomes described in both financial and programmatic terms wherever feasible.

REQUEST FOR FUNDING PROPOSALS: 7/1/2012 – 6/30/2013

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

The City Manager's Executive Office of Economic Development (EOED) Neighborhoods and Housing Development Divisions are accepting applications from eligible organizations wishing to be considered for funding through the CDBG and ESG Programs. Please adhere to the guidelines presented below and throughout this package when preparing your submission.

SUBMIT PROPOSALS TO: The City Manager's Executive Office of Economic Development (EOED)
City Hall
455 Main Street, Suite 402
Worcester, MA 01608
Dennis Hennessy, Director of Neighborhood Development

RFP INFO CONTACT: Anthony Miloski,
Public Services Director
508-799-1400 x 227 (tel.) / 508-799-1406 (fax)
E-mail: miloskia@worcesterma.gov

HOUSING INFO CONTACT: Miguel Ángel Rivera
Housing Development Division
Director
508-799-1400 x 221 (tel.) / 508-799-1406 (fax)
E-mail: riverama@worcesterma.gov

DUE DATE: Wednesday, February 15, 2012 - 5:00 P.M.

NUMBER OF COPIES: 2 original, bound or stapled
1 un-bound copy (no staples, plastic, etc.)

PAGE LIMIT: 20 pages; standard margins 1"; 12-pointed font size; Pages and attachments must be sequentially numbered

Handwritten applications will not be accepted

FUNDING DECISIONS: Recommendations submitted to City Council in April 2012

Funding decisions will be based on proposals which address community development needs identified and updated through the City's 2010-2015 Strategic Plan and Consolidated Planning Process, subject to the availability of funds. Funding recommendations will be submitted by the City to the Dept. of Housing & Urban Development (HUD) in May, 2012. Approved programs will commence July 1, 2012.

If you have questions or need assistance with regard to the application process or have concerns relative to the needs of non-English speaking or handicapped persons please contact Anthony Miloski at EOED, 508-799-1400. Information and technical assistance will be provided to groups that represent persons of low and moderate income. It is not anticipated that any persons will be displaced as a result of CDBG program activities. Should displacement occur, the City would adhere to policies regulated by its CDBG anti-displacement plan.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG): 7/1/2012 – 6/30/2013

REQUEST FOR FUNDING – COVER SHEET

(Please submit with your request)

(a.) Applicant Organizational Name: _____

(b.) Program Name: _____

(c.) Contact Person: _____

(d.) Address: _____

(e.) Tel. # / Fax #: _____

(f.) E-mail: _____

(g.) Amount Requested: 7/1/2012 – 6/30/2013: _____

(h.) Amount of Current CDBG Contract for this Program
if funded, 7/1/2011 - 6/30/2012: _____

(i.) Summary Statement of Proposed Use of Funds (3 lines only):

(j.) State Specific Reason for Increase or Decrease in funds requested for this service compared to
current contract, if applicable (3 lines only):

(k.) Program category (check each category you are applying for).

- _____ Affordable Housing Production
_____ Direct Lending
_____ Emergency Code Abatement
_____ Interim Management of Properties

Section I - Minimum Eligibility Criteria (Housing Programs)

All applicants must provide a narrative which addresses the elements listed below.

- (a.) National Community Development Objectives -- All housing activities funded through the CDBG program must meet the following national community development objectives:

To be of benefit to persons of Low and Moderate Income (L/M); or to arrest the decline of an area or improve an area through strategic efforts; or aid in the prevention of slums and blight.

Qualifying activities must result in the development, rehabilitation, or preservation of affordable housing units. A majority of the units in each structure assisted must be occupied by households of low income (a two-unit structure qualifies if at least one unit is low income). Preference will be given to applications with activities that assist the City in meeting its' goals under the Three Year Plan to End Homelessness by creating single room occupancy (SRO) and/or single bedroom housing units available to those persons earning not more than 30% of the area median income level.

HUD defines persons of low income as earning at/or below 80% of the metropolitan area median income level as adjusted by household size. The chart below summarizes the upper limits of low-income households (as of December, 2011) by size:

STATE: MASSACHUSETTS -----I N C O M E L I M I T S-----
Worcester, MA HMFA, FY 2011 MFI: 83600

PROGRAM	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
30% of Median	18450	21100	23750	26350	28500	30600	32700	34800
50% Very Low Income	30800	35200	39600	43950	47500	51000	54500	58050
80% Low Income	45500	52000	58500	65000	70200	75400	80600	85800

- (b.) Targeted Affordable Housing Activities – CDBG Housing funds for Year 38 will be prioritized to address the following priority activities:
1. Affordable Housing Production. HOME program related delivery and administration costs resulting in the maintenance and/or management of affordable housing units created with HOME funds or the purchase and rehabilitation of residential properties for sale or lease to income eligible, first time homebuyers and/or tenants. Preference will be given to applications with activities that assist the City in meeting its' goals under the Three Year Plan to End Homelessness by creating single room occupancy (SRO) and/or single bedroom housing units available to those persons earning not more than 30% of the area median income. Respondents are encouraged to strategically focus these activities on areas impacted by mortgage foreclosure in Neighborhood Revitalization Strategy Areas (NRSAs).

The City will not consider new proposals of Affordable Housing NEW Construction with the exception of currently existing funded projects.

2. Lending Services (city-wide): Lending that results in the stabilization of properties and assists owners and/or tenants whose housing is threatened by mortgage foreclosure. These lending services should include lending to court appointed receivers, provide flexible lending to homeowners in need of short term mortgage payment assistance and provide lending to homeowners in need of assistance with housing rehabilitation and refinancing. Preference will be given to applications that support and enhance city coordinated programs including receivership and down payment assistance efforts.
 3. Interim management of troubled, abandoned, or vacant properties, including the immediate abatement of code violations and threats to public's health and safety.
 4. Emergency Housing Repairs: Preference will be given to applications with activities specifically targeted to addressing housing repairs for the elderly.
- (c.) Ineligible Activities - Buildings or portions thereof used for general conduct of government; general government expenses; political activities; purchase of construction equipment; furnishings and personal property; operational and maintenance expenses for public facilities, improvements, or services; new housing construction; income payments. CDBG funds may not be used for the acquisition of property, construction or rehab of structures used for religious purposes or which will otherwise promote religious interests except through the creation or utilization of a wholly secular entity.

All applicants must address the elements listed below (d. & e).

(d.) Funding Pre-requisites-

1. Funded applicants must agree to attend a technical assistance workshop to be held by the Divisions of Neighborhoods & Housing Development.
2. All applicants must document in their application, the capacity to operate their programs for up to 12 weeks (from July 1, 2012) in lieu of CDBG grant funds, or until said grant reimbursement funds become available for distribution.
3. All applicants must identify alternative funding sources, if any, which could be utilized in the event that CDBG funds are reduced at the federal level. A statement of impact on the services to be provided by the applicant must also be included.
4. All applicants must demonstrate in their applications the necessary staff capacity and expertise needed to implement the proposed CDBG activities, including financial and program management, in accordance with HUD and Office of Management and Budget requirements.

(e.) Required Documentation-

All applications are required by federal regulations to provide the following information to the DND upon submission of their CDBG request:

1. Table of Organization
2. Cost Allocation Plan which shows the distribution and indicates the amount from all funding sources for persons whose positions are funded through CDBG and other sources.
3. For agencies that hire the services of consultants and/or contract workers:
 1. Job description and responsibilities of positions proposed.
 2. Proposed method of procurement for consultant/contractor.
 3. Cost Allocation Plan for proposed consultant/contractor position.
4. Most recent Annual Report (with auditor's certificate).
5. List of current board members and board officers.
6. Certificate of Authority (attached)
7. Tax Certification (attached)
8. Evidence of Insurance coverage in effect for the full term of the proposed Contract for Services as follows:
 - a. Protection relative to damages resulting from fire, fraud, theft, casualty, extended liability, for property purchased with federal, state or City funds and for the protection of the contractor's employees, it's invitees, clients/customers and agents
 - b. Commercial/general liability
 - c. Performance and payment bonds as applicable

Coverage shall be on an occurrence basis, with the exception of Workman's Compensation, The City of Worcester shall be named as an additional insured to the insurance policy for successful applicants at the time of contract execution.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG): 7/1/2012 – 6/30/2013

Section II - Comparative Criteria (Housing Programs)

Upon satisfying minimum eligibility criteria, each application will be scrutinized according to a series of comparative advantages.

1. Long-Term Strategies – Provide the following to support your proposal:
 - a. Mission Statement
 - b. Goals & Objectives (clearly defined)
 - c. Show how your proposal correlates with the mission statement, goals and objectives of community and municipal plans (See attached documents).
2. Program Effectiveness – Demonstrate your program's ability to deliver an effective and efficient program over time. Provide any additional evidence of effectiveness of your program, such as the how this service will work with other services offered by your agency or other community services in order to address the needs of clientele in a holistic manner. Summarize the measurable outcomes that will result from your proposed activities in the CDBG program year. Please note, applicants must complete and submit the attached tables of information (attachment a) for the respective housing activity proposed. The detail in these tables will be used to measure performance towards the proposed outcomes throughout the CDBG program year as well as to provide review criteria. The most respondent proposals will demonstrate organizational capacity and experience and clear and measurable performance benchmarks and timelines.
3. Community Outreach – Proven community outreach to target agency populations, with emphasis on the provision of outreach services to low and moderate income populations. Document community outreach efforts including time spent with targeted populations both on-site and out in the neighborhoods, and specific actions taken to enhance outreach to segments of the population that may not participate in your programs or services. The most respondent proposals will demonstrate capacity and experience with outreach to targeted clientele. All proposals should provide a written guarantee that all targeted clientele will have routine access to proposed service units.
4. Avoids Duplication – Demonstrate how the proposal does not duplicate existing programs.
5. Demonstrate Linkages – Document memorandum of understanding and/or contacts with other agencies in order to provide individuals with more comprehensive access and participation in services.
6. Leverage of Funds - Document your program's ability to leverage CDBG funding requested with additional alternative funding sources. The relationship of said alternative funding to CDBG funds requested must be clearly demonstrated. The most respondent proposals will document leverage of additional sources of funds.
7. Sustainability – Document your strategies for maintaining your program over the long term. Describe the ability of your program to diversify, specialize, strategize, and evaluate to respond to current housing market conditions and budget constraints. Describe your program's ability to generate a revenue stream that will assist with program sustainability

Attachment (a) Tables of Information.

over time. The most respondent proposals will provide a plan for sustainability that results in a concerted effort to seek alternative funding sources.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG): 7/1/2012 – 6/30/2013

Section III - Proposal Format, Forms and Attachments (Housing Programs)

Please adhere to the guidelines presented throughout this package when preparing your submission.

Respondents intending to submit funding proposals for more than one RFP category may submit the same narrative response to Sections I and II but must complete the forms and attachments listed below specific to each of the two or more RFP categories for which funds are being requested:

- Cover Sheet
- Relevant tables of information in Attachment (a)
- Current budget forms if currently funded (7/1/2011 - 6/30/12)
- Proposed Budget forms (7/1/2012 – 6/30/2013)

RFP categories

- 1) Affordable Housing Production
- 2) Lending Services
- 3) Interim Management of Properties
- 4) Emergency Housing Repairs and Abatement of Code Violations

This means that if a respondent requests funding from more than one RFP category, the total number of forms and attachments listed above will be expected to match the total number of RFP categories being applied for. If three RFP categories are being applied for, then three of each of the above forms should be included with the submission.

Assembly Order:

- Cover Sheet(s) (one for each category of funding requested).
- Section I narrative.
- Section II narrative.
- Relevant tables of information in Attachment (a).
- Current budget forms (one for each category of funding agency is currently receiving).
- Proposed budget forms (one for each category of funding requested). **Not Attached: Separate file on DND Web Page.**

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG): 7/1/2012 – 6/30/2013

AFFORDABLE HOUSING – Attachment (a)

Projected Services/Outcomes:

AFFORDABLE HOUSING PRODUCTION:

1. For Respondents proposing to utilize CDBG funds for key program delivery staff and ordinary maintenance overhead in conjunction with the HOME Investment Partnership Program [HOME] for development projects currently funded by HOME or for respondents seeking to acquire and renovate affordable housing units please provide a table of information including (but not limited to) the information listed in Table 1 below (please note table can be submitted in landscape form if necessary):

Table 1 – Provide projection of all projects estimated to be in your pipeline between 7/1/2012 - 6/30/2013 and estimates of the number and type of units; site control date; financing assembly date; amount of financing needed and sources; rehab start and complete date and sale or rent up date. Successful respondents will be reimbursed throughout the Year 38 for demonstrating accomplishment of these key performance benchmarks.

Table 1 –

Provide Estimated # of Rehabilitation Construction projects to be carried out between 7/1/2012 - 6/30/2013

Address (If known) Service Area	# of rental units	# of home- owner units	Site Control Date	Date Financing projected to be Secured	Amount of financing & sources	Rehab Start Date	Rehab Complete Date	Sale or Rent up Date

2. **ABATEMENT OF EMERGENCY CODE VIOLATIONS:** For respondents proposing to carry out code abatement and emergency housing repairs please provide a table of information including (but limited to) the information listed in Table 2 (please note table can be submitted in landscape form if necessary).

Table 2 – Provide Estimated # of Code Violation, Emergency Repairs to be carried out between 7/1/2012 - 6/30/2013

Column 1	Column 2	Column 3	Column 4	Column 5
Projected Number of Code Violations & Emergency Repairs estimated: 7/1/12-6/30/13	Current Annual Capacity to Carry out proposed activities	Requested CDBG amount to carry out activities	CDBG Cost to Carry out Projected # Repairs & abatements (Column 3 total / Column 1 total)	Projected total of all grants & financing required to carry out projected # of repairs/abatements
Role and specific skills, qualifications and experience of CDBG funded staff specialist(s) carrying out activities (Rehab specialist; general construction; trades person; maintenance personnel, housing counselor; construction project manager; cost estimator; home inspection, licenses and certifications, etc):				
Please provide description of geographic boundaries you anticipate and are capable of carrying out these activities in:				

3. INTERIM MANAGEMENT OF PROPERTIES: For respondents proposing to carry out interim management of properties please provide a table of information including (but not limited to) the information listed in Table # 3 below (please not table can be submitted in landscape form if necessary):

Table 3 – Interim Management of properties (both vacant and occupied) 7/1/2012 - 6/30/2013.

Please provide a proposed hourly pricing structure for qualified staff specialist(s) to provide the following types of interim property management services (the pricing structure should include only salary, fringe and ordinary maintenance overhead costs).			
Staff Activity	Proposed Hourly Cost of In-house Staff & Ordinary Maintenance Overhead	Proposed Cost of Subcontracted Services by hour or Alternate Price Structure	Proposed Total Amount of Hours or units of service available 7/1/12– 6/30/13
Remove debris and rubbish and facilitate removal of illegally parked vehicles as needed			
Snow removal as needed			
General maintenance of grounds and site such as weed and overgrowth control.			
Routine inspections of unoccupied buildings to insure buildings are secure from entry at all times			
Re-secure unoccupied building when needed			
Provide cost estimates, work write-ups for essential repairs when needed			
Tenant management, including tenant screening, rent collections, evictions proceedings.			
Other proposed activities to meet objective			
Other proposed activities to meet objective			
Total CDBG funds requested:		Proposed Geographic Boundaries of Service area:	
Brief description of current in-house or purchase property management capacity, including number of full time staff equivalents dedicated to activities:			

4. **LENDING SERVICES**: For respondents proposing to serve as a sub-recipient and lend CDBG and other leveraged funds to: court appointed receivers, existing homeowners facing foreclosure and in need of short term mortgage payment assistance; to existing homeowners facing foreclosure and in need of rehabilitation with refinancing, please provide a table of information including (but not limited to) the information listed in Table 4 below (please note table can be submitted in landscape form if necessary).

Table 4 – Lending Services

Estimated Type of Loan	Estimated # of Loans	Estimated. Avg. Amt. of CDBG Loan	Estimated Avg. Amt. of Leveraged Loan	Estimated Fee as percentage of loans	Estimated Key Staff and Overhead Costs paid by CDBG
Loans to Receiverships					
Refinance with Rehab for existing owners					
Rehab Loans for existing owners					
Short Term Mortgage Assistance (Catch-up) Loan					
Loan Advances or Bridge Loans					
Down Payment Assistance Advances					
Other					
Please briefly describe proposed loan terms; qualifications of key staff; source of leveraged funds (existing/proposed); any or all other relevant information.					